

## **FISCAL NOTE**

### **SB 2271 - HB 2579**

January 31, 2000

**SUMMARY OF BILL:** Requires employers with more than 25 employees contracting with state or local government to offer health care coverage to all full-time employees. Such health care coverage must meet the standards in the Small Employer Group Health Coverage Reform Act in TCA 56-7-22.

#### **ESTIMATED FISCAL IMPACT:**

**State Expenditures - Net Impact - Not Significant**  
**Increase Local Govt. Expenditures - Not Significant**

Estimate assumes that:

- state and local governments will incur expenditures to certify that bidders for contracts have provided health insurance for employees; however, such expenditures are estimated to be not significant.
- as employers, state and local governments currently provide health insurance for their employees.
- some potential for increased costs to state and local governments, since some businesses that bid to provide services or products to the state or local governments may pass any cost associated with providing health insurance along to their customers, however such increase is estimated to be not significant. Based on a 1996 survey of occupational wages and benefits of Tennessee employers most Tennessee employers provided health insurance for their employees.
- most employers with 25 or more employees currently provide health insurance to their employees.
- there may be some decrease in TennCare expenditures if health insurance coverage becomes more widespread, removing some enrollees from the TennCare program; however, any such decrease is estimated to be not significant.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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